

Agenda Greensboro City Council

COUNCIL BRIEFING
TUESDAY
28 FEBRUARY 2006
8:30 A.M.
PLAZA LEVEL CONFERENCE ROOM

1. Update on Disability Retirement Issues per Council's Request
2. Review of Final Draft of Urban and Corridor Investment Guidelines (Attachment #2)
3. Review of Budget Information Developed to Date (Attachment #3)

YOU MAY REVIEW ATTACHMENTS FOR THIS AGENDA IN THE CITY CLERK'S OFFICE OR IN THE AREA OUTSIDE THE COUNCIL CHAMBER, MELVIN MUNICIPAL OFFICE BUILDING, 300 W. WASHINGTON STREET, GREENSBORO, NC. If you have questions, please call Juanita Cooper or Susan Crofts at 373-2397.

Any individual with a disability who needs an interpreter or other auxiliary aids or services for this meeting may contact Juanita Cooper or Susan Crofts at 373-2397 or 333-6930 (TDD).

MEMBERS OF COUNCIL

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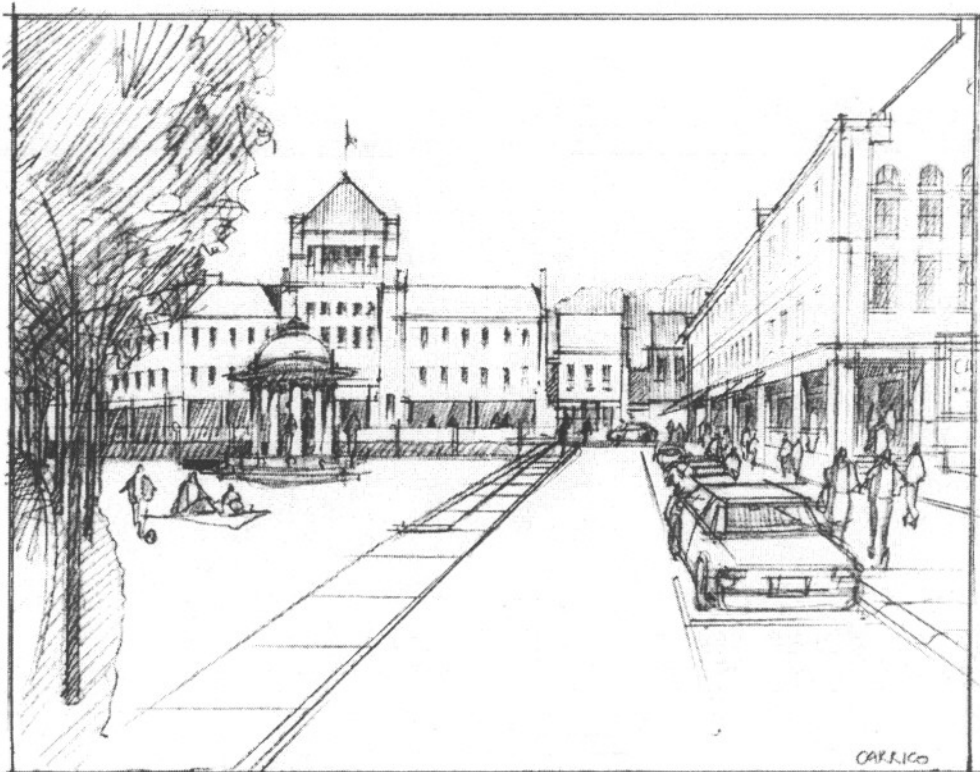


City of Greensboro

(final draft)

Urban Development Investment Guidelines

For evaluating development and redevelopment projects in downtown and reinvestment areas and corridors that have requested City participation.



#2

Purpose of the Urban Development Investment Guidelines

On May 6, 2003, the Greensboro City Council adopted the *Connections 2025 Comprehensive Plan*. This plan provides a goals and policy framework for the future development of the City. As a part of this future vision, the Plan recommends intensification of development within the central business district and identified reinvestment corridors and areas.

These **Urban Development Investment Guidelines** have been prepared as part of the City's effort to promote high quality urban developments that meet the community's intended vision. By implementing these Guidelines, the City hopes to provide prospective developers with a consistent and dependable set of criteria that will be used in evaluating how closely proposed development projects meet the City's development goals. In addition, these Guidelines establish how project risks and returns to the City will be reviewed and evaluated.

These Guidelines do not establish an entitlement program. The provision of financial assistance, in any form, is solely at the discretion of City Council. Council may waive or modify any aspect of these Guidelines and determine levels of assistance to be provided, as it deems appropriate.

Eligible Projects

To be eligible for any funding assistance connected with these Guidelines, projects must meet all of the following:

1. Located within the corporate limits of Greensboro
2. Located within either the downtown area, reinvestment areas, or reinvestment corridors as shown on the enclosed maps
3. Meet the following minimum investment thresholds:
 - 3.1. Downtown projects - \$1,500,000
 - 3.2. Reinvestment areas and corridors - \$500,000
4. Must not also be applying for assistance through the City's Economic Development Incentive Program or Targeted Loan Pool Program
5. Must agree to follow City M/WBE Program for any public infrastructure improvements funded with City assistance

Eligible Areas Description

The **Urban Development Investment Guidelines** are targeted to new development and redevelopment projects within the downtown redevelopment area and zones identified in *Connections 2025* as reinvestment areas and corridors. These areas represent priority opportunities for combined private and public sector reinvestment. The intent in these areas is to promote the redevelopment of underutilized, outdated properties and the filling in of vacant sites, thereby creating more economically and socially vibrant communities. A strong preference is given to *catalyst* projects that stimulate the private market and encourage the mixing and diversification of uses as a means to a more efficient and sustainable development pattern.

Downtown Redevelopment Area

The Downtown Redevelopment Area, as currently adopted and including areas that may be added to the redevelopment area by future amendments, currently covers roughly 500 acres as shown on Exhibit A. Within this area, the City is looking for unique projects that promote reinvestment, preservation, diversification, and selective intensification of activity that reinforces its importance as the economic, cultural, and civic center of the City.

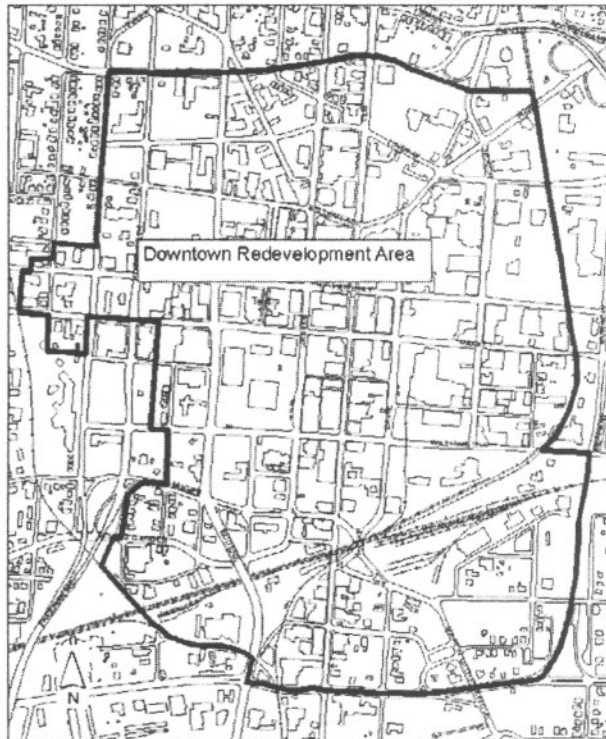


Exhibit A – Downtown Area

Reinvestment Areas

Reinvestment areas include currently designated Redevelopment Areas and additional locations identified in *Connections 2025* as Reinvestment Opportunity Areas, as shown below. These are mostly older neighborhoods and industrial sections of east Greensboro that are in need of private investment. A focus within these areas is to return business, community services, and housing choices to sections of the City that are currently underserved.

Reinvestment Corridors

Connections 2025 identified eight Reinvestment Corridors for public and private sector investment, as shown below. These are primarily older commercial corridors along major thoroughfares. Properties are considered part of the corridor as long as they are located primarily within 800 feet of the street centerline and have frontage along the primary thoroughfare. Within these corridors, the City is looking for private initiatives that promote reuse of existing buildings and new infill development that enhances economic viability and strengthens adjacent neighborhoods.

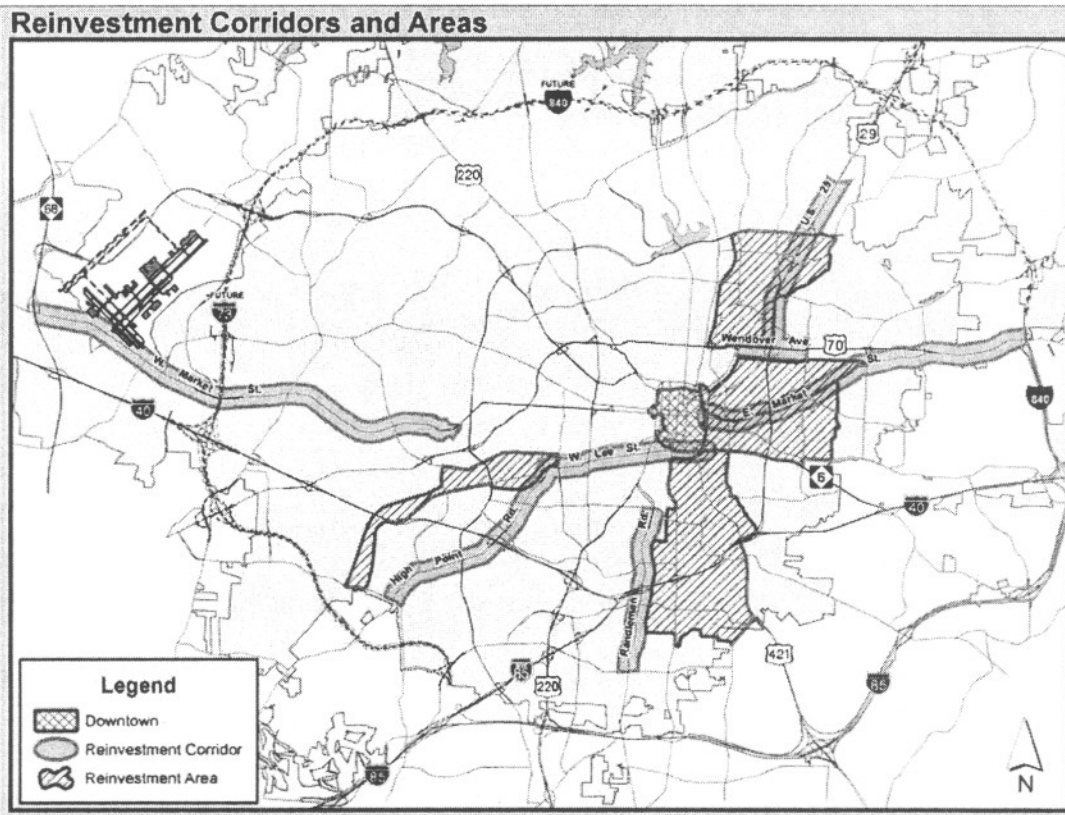


Exhibit B - Reinvestment Areas and Corridors
(see Attachment 1 for more detailed maps)

Use of the Urban Development Investment Guidelines

The Urban Development Investment Guidelines provide a mechanism for the City to use in evaluating the strengths and weaknesses of private development projects proposed within the identified priority areas. Well planned and clearly financed proposals will receive priority for assistance over proposals that offer unclear development objectives and unknown risks. Once financial risk is determined, the quality, creativity, and sustainability of the proposed development product is also evaluated.

The following is a list of possible uses of City assistance. Infrastructure assistance is the preferred method of assisting urban development projects since the City is normally the provider of these facilities and services. Other forms of assistance may be proposed where infrastructure assistance alone is not sufficient and will be considered based on the merits of the proposal:

Eligible Uses of City Assistance

1. Infrastructure upgrades (water, sewer, storm sewer and streets)
2. Provision of off-street parking
3. Streetscape improvements
4. Purchase of land/reduce cost of land
5. Environmental site assessment
6. Site preparation
7. Affordable housing assistance

The decision to invest or not to invest shall be at the sole discretion of City Council. In circumstances determined to be justified and appropriate, the City Council may vary from these Guidelines, regardless of whether or not a project meets these Guidelines.

Projects meeting the minimum thresholds established herein will also be eligible for the City's "Rapid Review Process". Through this process, Department Heads from all Departments involved in the City Economic Development Review Team meet to expedite the approval process.

Priority and Criteria Listing

The following objectives and evaluation criteria provide a consistent framework for evaluating development projects. Further refinement of these criteria is likely as experience is gained in its use.

The criteria are divided into three parts. *Part 1* evaluates the estimated risks and financial returns of the proposal and is to be completed for all projects covered by this policy. *Part 2* is to be used for project proposals within the downtown redevelopment area and assesses the likely impact of the project on the downtown environment. *Part 3* provides a similar analysis of projects proposed in reinvestment areas and corridors.

Urban Development Investment Guidelines

For projects requesting City participation

Project: _____

Scoring Summary

<i>Criteria</i>	<i>Score</i>	<i>Comments</i>
Part 1 - All Projects		
<i>Priority 1-A: Viability and Need for Public Assistance</i>		
<i>Priority 1-B: Return on Investment</i>		
<i>Priority 1 Sub-total</i>		
<i>Minimum Part 1 Threshold Score for Consideration</i>	75	
Part 2 - Downtown Projects		
<i>Priority 2-A: Catalyst Projects</i>		
<i>Priority 2-B: Intensification and Diversification of Uses</i>		
<i>Priority 2-C: High Quality and Sustainable Development</i>		
<i>Priority 2 Sub-total</i>		
<i>Minimum Part 2 Threshold Score for Consideration</i>	50	
Part 3 - Reinvestment Area and Corridor Projects		
<i>Priority 3-A: Catalyst Projects</i>		
<i>Priority 3-B: Intensification and Diversification of Uses</i>		
<i>Priority 3-C: High Quality and Sustainable Development</i>		
<i>Priority 3-D: Increase Public Safety by Redeveloping High Crime Zones</i>		
<i>Priority 3 Sub-total</i>		
<i>Minimum Part 3 Threshold Score for Consideration</i>	50	
<i>OVERALL SCORE</i>		

Summary description of project benefits and issues:

Urban Development Investment Guidelines

Criteria Details

Project: _____

Part 1 - For all projects requesting City participation:

<i>Criteria</i>	<i>Score</i>	<i>Comments</i>
<i>Priority 1-A: Viability and Need for Public Assistance</i>		
<i>(up to 10 points each)</i>		
1. Independent analysis demonstrates viability of project		
2. "But for" financial analysis demonstrates need for assistance. - less than 10% return on investment to developer <i>(10 points)</i> - 10 to 20% <i>(5 points)</i> - greater than 20% <i>(0 points)</i>		
3. Demonstrates ability to pay private debt service. With City assistance, project provides private debt coverage ratio of: - 1.25 or more to 1 <i>(10 points)</i> - 1.1 – 1.25 to 1 <i>(5 points)</i> - 1.1 or less to 1 <i>(0 points)</i>		
4. Clearly documented financial commitments		
5. Debt coverage ratio of any public debt issued to fund the project - 1.25 or greater <i>(10 points)</i> - 1.1 to 1.25 <i>(5 points)</i>		
6. Developer, or development partner, has experience successfully developing similar projects		
7. Developer equity in project, including cash and basis in property - 20% or more <i>(10 points)</i> - 10% to 20% <i>(5 points)</i> - Less than 10% <i>(0 points)</i>		
<i>Priority 1-A Score</i>		

Urban Development Investment Guidelines

Criteria Details

Project: _____

Part 1 - For all projects requesting City participation: (con't)

Priority 1-B: Return on Investment		
	(up to 10 points each)	
1. Creates one or more permanent jobs per \$50,000 of City assistance		
2. Tax increment revenue, based on current rate, exceeds City assistance		
- within 5 years (10 points)		
- within 15 years (6 points)		
- within 20 (3 points)		
3. Increases the tax base of the property being redeveloped		
- 250% or more (10 points)		
- 150% to 250% (5 points)		
- 100% to 150% (0 points)		
	Priority 1-B Score	
	Priority 1-A & 1-B Totaled Score	
Minimum Part 1 Threshold Score for Consideration	75	

Other comments on financial viability, risks and returns of this request:

Urban Development Investment Guidelines

Criteria Details

Project: _____

Part 2 - Additional Criteria for projects proposed in Downtown area:

<i>Criteria</i>	<i>Score</i>	<i>Comments</i>
<i>Priority 2-A: Catalyst Projects</i>		
<i>(up to 10 points each)</i>		
1. Corporate headquarters and other significant office space projects greater than 50,000 square feet		
2. Unique project for downtown – ex: Elon Law School, downtown hotel		
3. Retail use exceeding 15,000 square feet		
4. New or adaptive reuse housing construction of 30 or more housing units		
5. Regional draw due to uniqueness of use		
6. Appropriate rehabilitation of contributing building in a designated historic district or individually listed historic property		
<i>Priority 2-A Score</i>		
<i>Priority 2-B: Intensification and Diversification of Uses</i>		
<i>(up to 5 points each)</i>		
1. Project is mixed-use		
2. Commercial space is provided on first floor		
3. Eliminates a blighted property		
4. Reuses a vacant or underutilized property		
<i>Bonus Points</i>		
<i>(1 point each)</i>		
a: Provides rental apartments		
b: Provides workforce housing		
<i>Priority 2-B Score</i>		

Urban Development Investment Guidelines

Criteria Details

Project: _____

Part 2 - Additional Criteria for projects proposed in Downtown area:(con't)

<i>Criteria</i>	<i>Score</i>	<i>Comments</i>
<i>Priority 2-C: High Quality and Sustainable Development</i>		
(Up to 5 points each)		
1. Development of an environmentally impaired site		
2. Greater than 50% of 1 st floor frontage is transparent windows		
3. Provides enclosed off-street parking hidden from street view		
4. High quality and generally compatible architectural design and materials		
<i>Bonus Points</i> (1 point each)		
a: Project has obtained a LEED designation indicating high level of sustainability in design and construction		
b: Approved deconstruction techniques for demolition work		
c: Creates or enhances downtown parks, plazas or greenways		
d: Adds street activity, such as outdoor eating areas or public art space		
E: Accommodations for bike racks, transit shelters and other pedestrian amenities		
<i>Priority 2-C Score</i>		
<i>Priority 2A-2C Totaled Score</i>		
<i>Minimum Part 2 Threshold Score for Consideration</i>	50	

Other comments on unique design and development aspects of this request:

Urban Development Investment Guidelines

Criteria Details

Project: _____

Part 3 - Additional Criteria for projects proposed in Reinvestment Areas and Corridors:

Criteria	Score	Comments
Priority 3-A: Catalyst Projects		
(up to 10 points each)		
1. Significant office space projects greater than 30,000 square feet		
2. Renovation and reuse of existing retail and industrial buildings exceeding 30,000 square feet		
3. New or adaptive reuse housing construction of 50 or more units		
4. Extent market is already supporting similar projects in the area <ul style="list-style-type: none"> - No other similar projects in area (10 points) - One other similar project (5 points) - Multiple similar projects (0 points) 		
5. Appropriate rehabilitation of contributing building in a designated historic district or individually listed historic property		
Priority 3-A Score		
Priority 3-B: Intensification and Diversification of Uses		
(up to 5 points each)		
1. Project is mixed-use		
2. Project promotes compact, efficient development <ul style="list-style-type: none"> - Residential components at an average density of at least 7 units/acre - Commercial components at an avg. floor area ratio of 0.50 or greater 		
3. Provides neighborhood businesses and services to underserved areas <ul style="list-style-type: none"> - without these services within 1 mile radius (5 points), or - without these services within ½ mile radius (2 points) 		
4. Eliminates a blighted property <ul style="list-style-type: none"> - project site is blighted (5 points), or - other blighted properties within ¼ mile radius (2 points) 		
5. Reuses a vacant or underutilized property		
Bonus Points (1 point each)		
a: Provides housing unit sizes and types not found in area		
b: Provides mixed-income housing		
Priority 3-B Score		

Urban Development Investment Guidelines

Criteria Details

Project: _____

Part 3 - Additional Criteria for projects proposed in Reinvestment Areas and Corridors:

Criteria	Score	Comments
Priority 3-C: High Quality and Sustainable Development		
(up to 5 points each)		
1. Development of an environmentally impaired site		
2. Compatible with surrounding developments or with objectives contained in an adopted neighborhood, corridor or activity center plan		
3. Adds pedestrian amenities, such as 1st floor retail, outdoor eating areas, connected sidewalks, street trees, on-street parking, and public art space		
4. Provides connected and shared access and parking areas		
5. Provides additional off-street parking screened from street view		
6. High quality and generally compatible architectural design and materials		
Bonus Points (1 point each)		
a: Project has obtained a LEED designation indicating high level of sustainability in design and construction		
b. Approved deconstruction techniques for demolition work		
c: Creates or enhances neighborhood parks, plazas or greenways		
d: Accommodations for bike racks and transit shelters		
e: Removes non-compliant signage		
Priority 3-C Score		
Priority 3-D: Increase Public Safety by Redeveloping High Crime Zones		
(up to 5 points)		
1. Level of crime rate in area compared to City average		
- Crime rate greater than 110% of City average (5 points)		
- Crime rate 100% to 110% of City average (2 points)		
- Crime rate less than 100% of City average (0 points)		
Priority 3-D Score		
Priority 3A-3D Totaled Score		
Minimum Part 3 Threshold Score for Consideration	50	

Other comments on unique design and development aspects of this request:

Definitions

Blighted Property – As defined by NC Redevelopment Statutes, shall include properties that, by reason of dilapidation, deterioration, age or obsolescence, inadequate provision of ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, unsanitary or unsafe conditions, or the existence of conditions which endanger life or property by fire and other causes, impairs the sound growth of the community.

“But For” Proforma Analysis – Presentation of a project development and operating proforma identifying all sources and uses of funds and rates of return in sufficient detail to explain what portion of the funding sources are not obtainable from private sources if a reasonable rate of return on investment is to be achieved.

Catalyst Project – A proposed development project that, because of its size, location, unique uses, or ability to attract new jobs, is likely to stimulate significant additional development activity.

Debt Coverage Ratio – A measure of an income producing property’s ability to cover the monthly mortgage payments. Calculated by dividing the net operating income (NOI) by a property’s annual debt service.

Deconstruction Techniques – Deconstruction is the process of building disassembly in order to recover and recycle materials for their highest and best re-use. Deconstruction reduces the volume of materials that end up in public landfills and protects the natural environment.

Developer Equity – Funding sources provided by the individual investors and not subject to scheduled payback from project revenues. Should be real dollars contributed to the project, including cash and basis in property. Loans, personal guarantees, deferred fees, etc. are not considered developer equity for these purposes.

Downtown Redevelopment Area – Area of downtown designated by the Redevelopment Commission of Greensboro according to NC Redevelopment Statutes, and including any additional areas added to the Downtown Redevelopment Area by future amendment.

Job Creation – To be considered as a newly created job, the applicant will need to demonstrate that the business being proposed is a new operation coming to Greensboro or an expansion of an existing business operation already located in the City. Only permanent jobs are counted, not jobs related to construction, seasonal, or short-term employment.

LEED Designation – As established by the US Green Building Council, refers to buildings and developments that have been certified under one of the LEED designations, including LEED-NC (New Construction), LEED-EB (Existing Buildings), LEED-H (Homes), and LEED-CS (Core and Shell). LEED certification generally means buildings are designed to be efficient to operate and utilize environmentally friendly materials and techniques in their construction

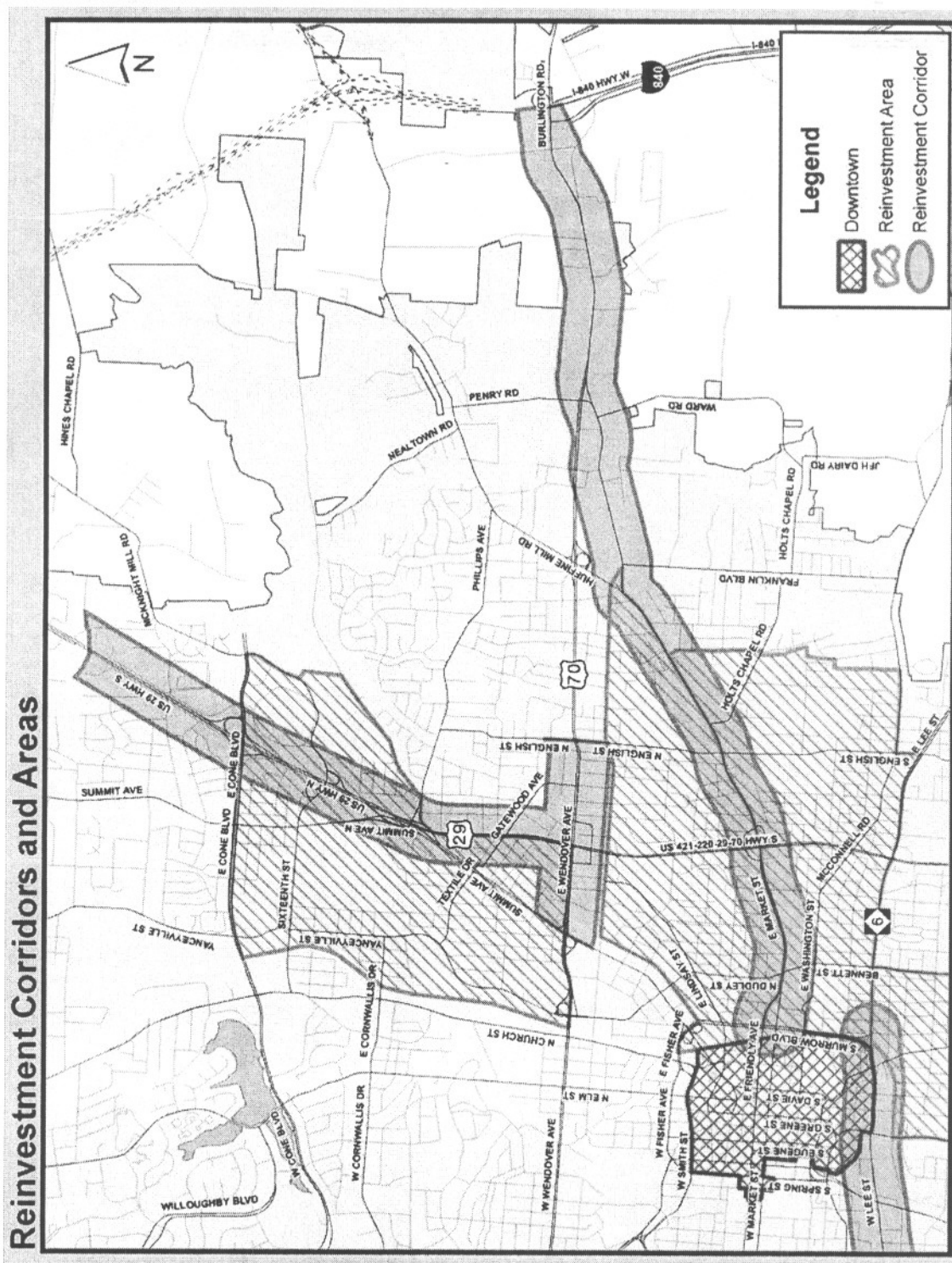
Mixed-Use – A project that combines a principal use, such as housing units with other different uses, such as commercial or office space. The principal use should not enclose more than 90% of the total square footage of the project.

High Quality and Generally Compatible Architectural Design and Materials – The City is seeking well designed proposals that meet the user's needs, understand and respond to its context, enhance the surrounding area, and are built to last. Architectural features should enhance the street environment and building materials should be high quality and durable. Siting of buildings should promote pedestrian-oriented streets.

Tax Increment Revenue – The amount of additional City tax revenues estimated to be generated by the new development over and above what the property is currently paying.

Workforce Housing – Conceptually defined as housing units affordable to the full range of individuals and families working within the area. For purposes of these Guidelines, units will meet this definition if they are affordable to families between 80% and 120% of the City's median family income, as established by the US Dept. of HUD each year.

Reinvestment Corridors and Areas



[illegible]

FTE Chart Narrative

The city's workforce grew by 12% from FY 97-98 to FY 04-05, from 2,619 FTEs to 2,935 FTEs. The departments with the greatest increase in authorized positions were Police (+135; from 603 to 738), Parks and Recreation (+49; from 248 to 297), Fire (+46; from 379 to 425) and Water Resources (+42; from 276 to 318).

The workforce growth rate of 12% actually trailed the community's population growth rate of 16% during the same period. Some of the community's population growth was generated by voluntary annexations from property owners wishing to be the city but residing well beyond the current city limits. Serving these somewhat distant individual proprietries presents further stresses on operations such as Police, Fire and Solid Waste. The number of FTE positions per 1,000 population fell from 12.77 in FY 97-98 to 12.31 in FY 04-05 (see chart a). Had the organization's FTE per 1,000 ratio remained at 12.77, the city would have had an additional 109 positions as of FY 04-05.

From FY 97-98 through FY 04-05, the authorized positions for General Fund Departments grew at roughly the same pace as the community's population. The General Fund ratio of FTEs to 1,000 population dropped slightly from 8.95 in FY 97-98 to 8.89 in FY 04-05 (see chart b). The Police Department was the only General Fund Department that noticeably increased its FTE per 1,000 population ratio over this time period (Parks and Recreation did increase from 1.21 to 1.25). Police position additions were sufficient to actually increase that department's ratio from 2.94 in FY 97-98 to 3.10 in FY 04-05 (see chart c). While the Fire Department added positions during this time period, its ratio actually fell from 1.85 to 1.78 (see chart d).

Excluding Police and Fire, the remaining General Fund Departments saw their ratio of authorized positions to 1,000 population fall from 4.16 to 4.01 (see chart e). Had the ratio remained at 4.16, the General Fund would have had an additional 34 positions as of FY 04-05.

Authorized strength for Solid Waste Management as a ratio to population remained static over this time period. The FTE per 1,000 population fell slightly from 0.70 to 0.68 (see chart f). This analysis includes positions that have been authorized but as yet unfilled for the refuse transfer station. Absent these positions, the FTE ratio would have been slightly lower.

Cost per Capita Narrative

Over a nine year period from FY 95-96 to FY 04-05, the General Fund cost of operations per capita increased from \$656 to \$855, 30% or a little over 3% annually (see chart g). This growth rate is exaggerated due to the 7.5% increase experienced in FY 04-05, the final year of the analysis. The General Fund

contribution to the Solid Waste Fund was significantly increased in FY 04-05 to replace the revenue lost with the elimination of the Solid Waste roll out container user fee. Looking at an eight year period from FY 95-96 to FY 03-04, the General Fund cost of operations per capita increased 21%, or only about 2.6% annually.

During the FY 95-96 to FY 04-05 review period, costs of operation per capita for both Police and Fire grew faster than the overall average rate for the entire General Fund. Police costs per capita increased 39% (from \$157 to \$219), while Fire costs per capita increased 46% (from \$91 to \$133) (charts h and i). This indicates that service expansion and enhancements that were funded in the General Fund over the past nine years have been concentrated in the public safety service area. Excluding Police and Fire, the remaining General Fund operations cost per capita increased 23% over a nine year period, or roughly 2.5% annually.

Solid Waste operations cost per capita increased 32% over the nine year period, from \$70 to \$93 (see chart j). Through the latter stages of this review period, Solid Waste began accumulating funds in capital reserve accounts in preparation for closure and post closure expenses that will be incurred at the White Street Landfill.

Chart A

FTE Positions per 1,000 Population - All Funds

y-axis spread = .8, graph lines @ .2

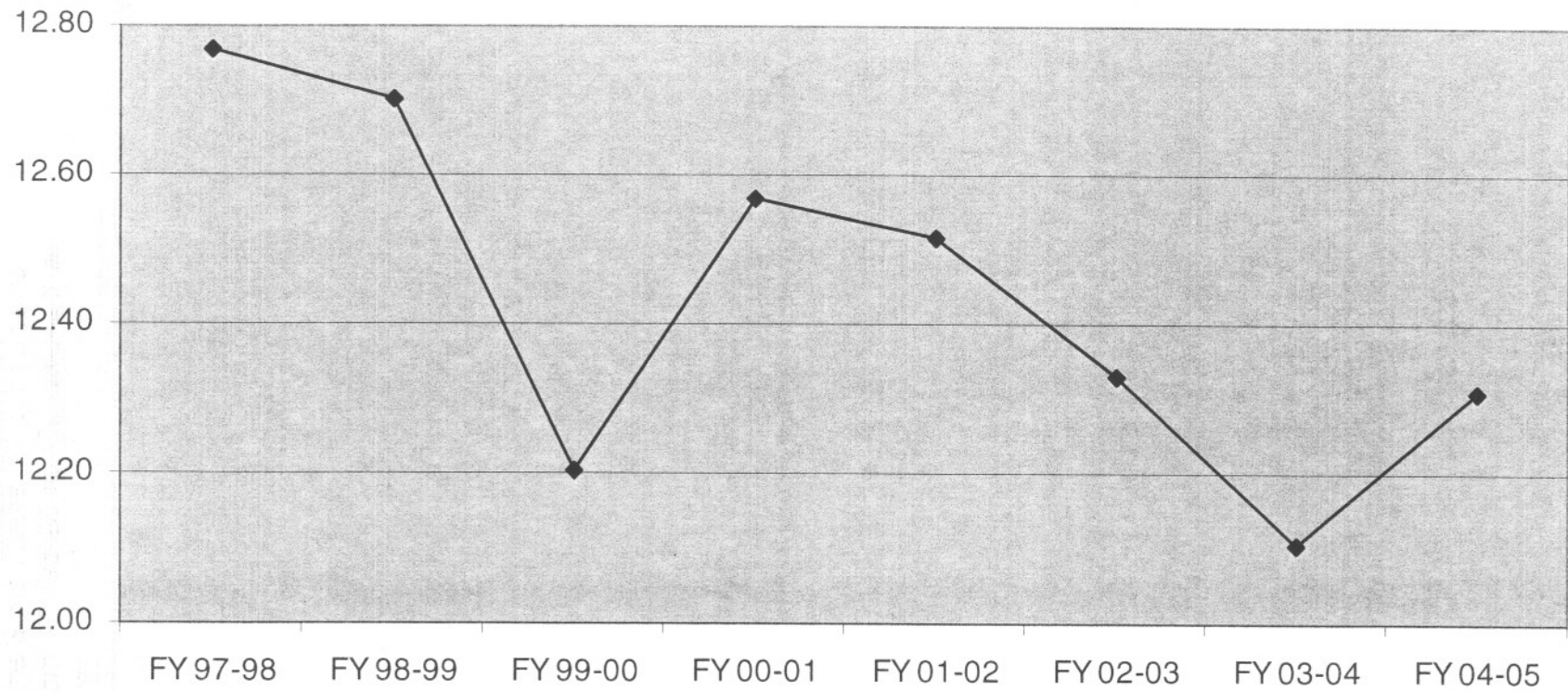


Chart B

General Fund FTEs per 1,000 population

y-axis spread = .5, graph lines @ .1

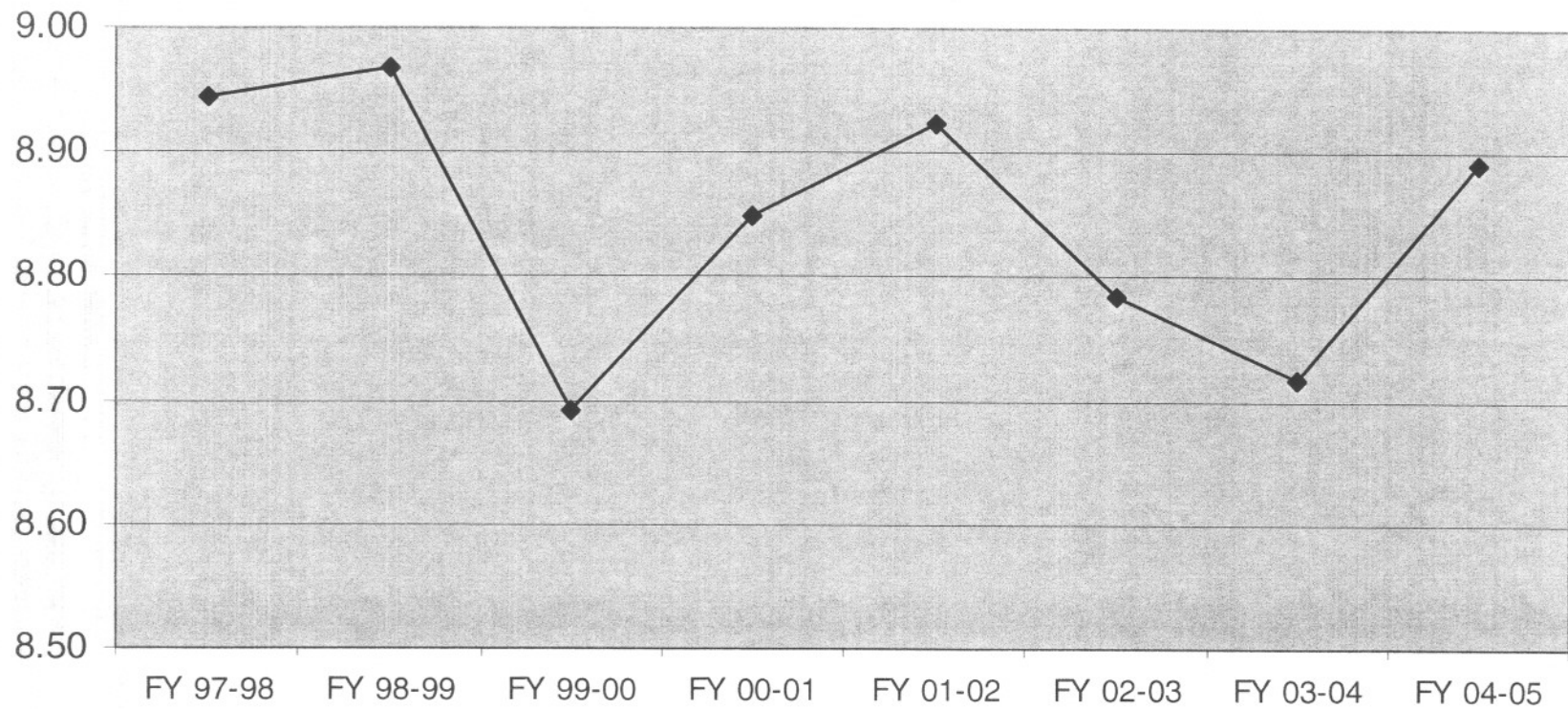


Chart C

Police FTE Positions per 1,000 Population

y-axis spread = .5, graph lines @ .05

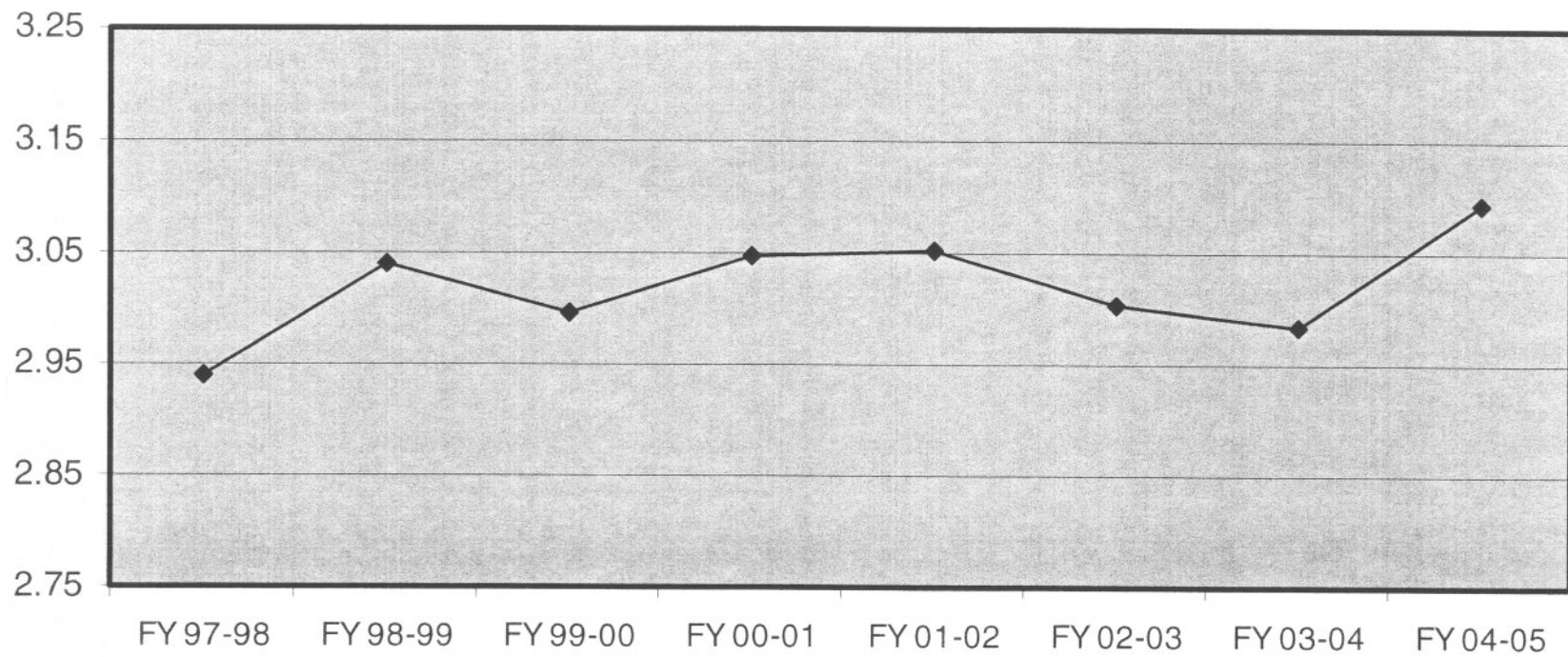


Chart D

Fire FTEs per 1,000 Population

y-axis spread = .5, graph lines @ .1

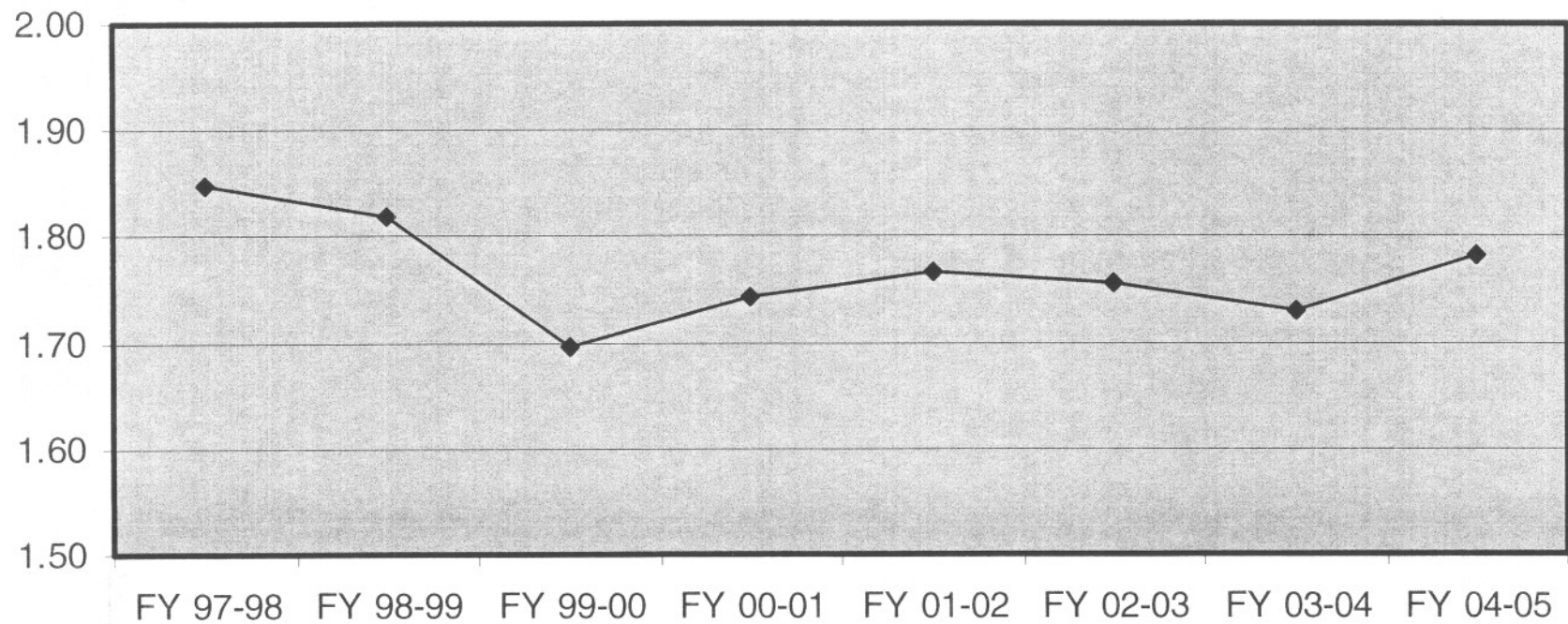


Chart E

General Fund FTEs per 1,000 Population

(excluding Police and Fire)

y-axis spread = .5, graph lines @ .1

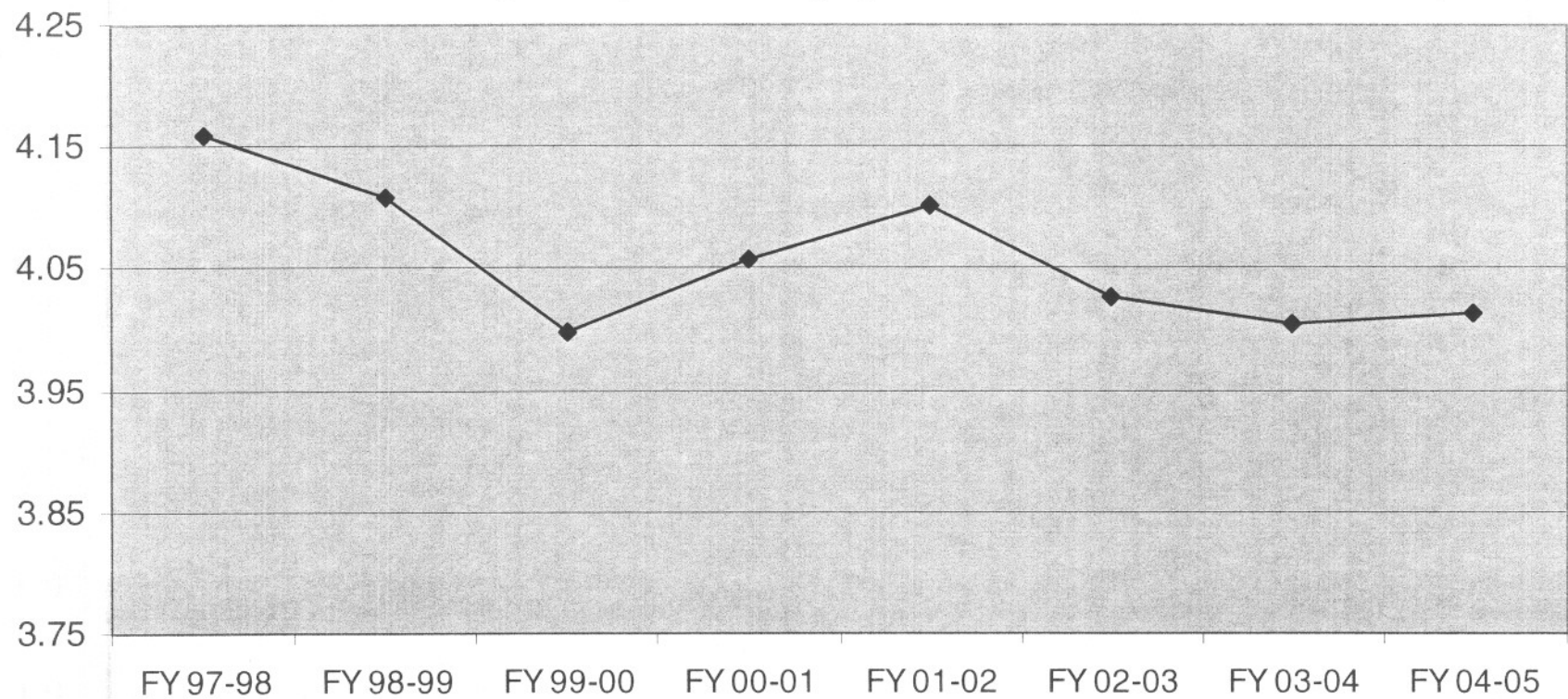


Chart F

Solid Waste FTEs per 1,000 Population

(including authorized but unfilled positions

for the Refuse Transfer Station)

y-axis spread = .5, graph lines @ .1

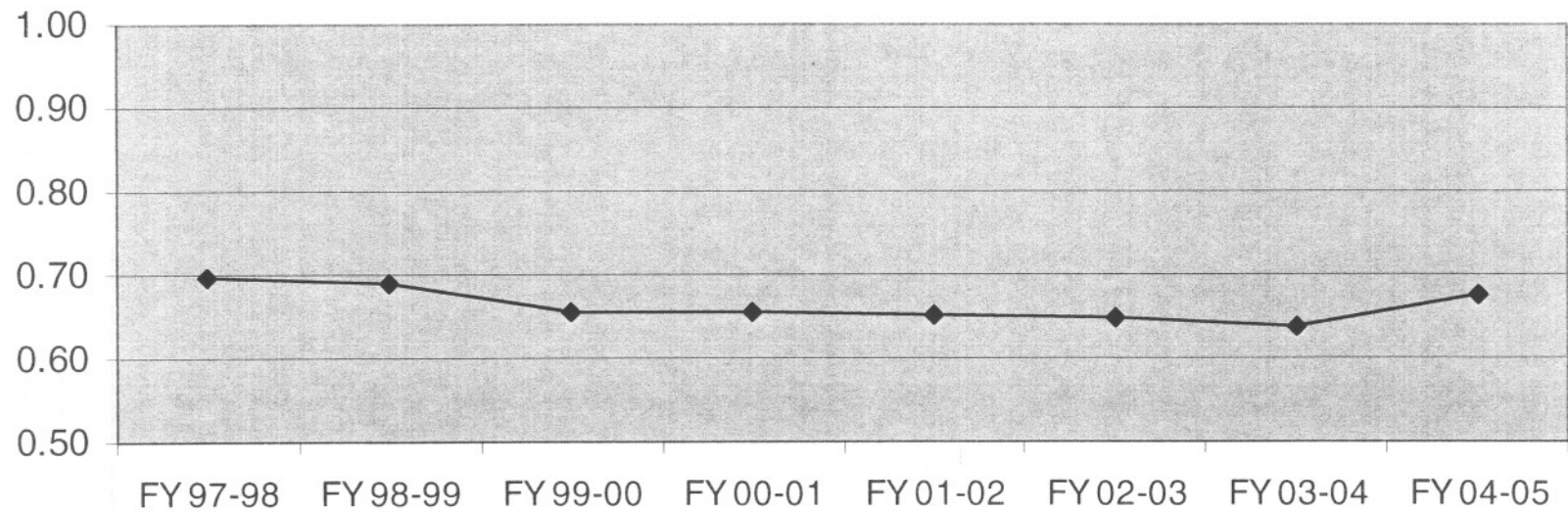


Chart G

General Fund Total Costs (Dollars) per Capita

y-axis interval = 300, graph lines @ 50

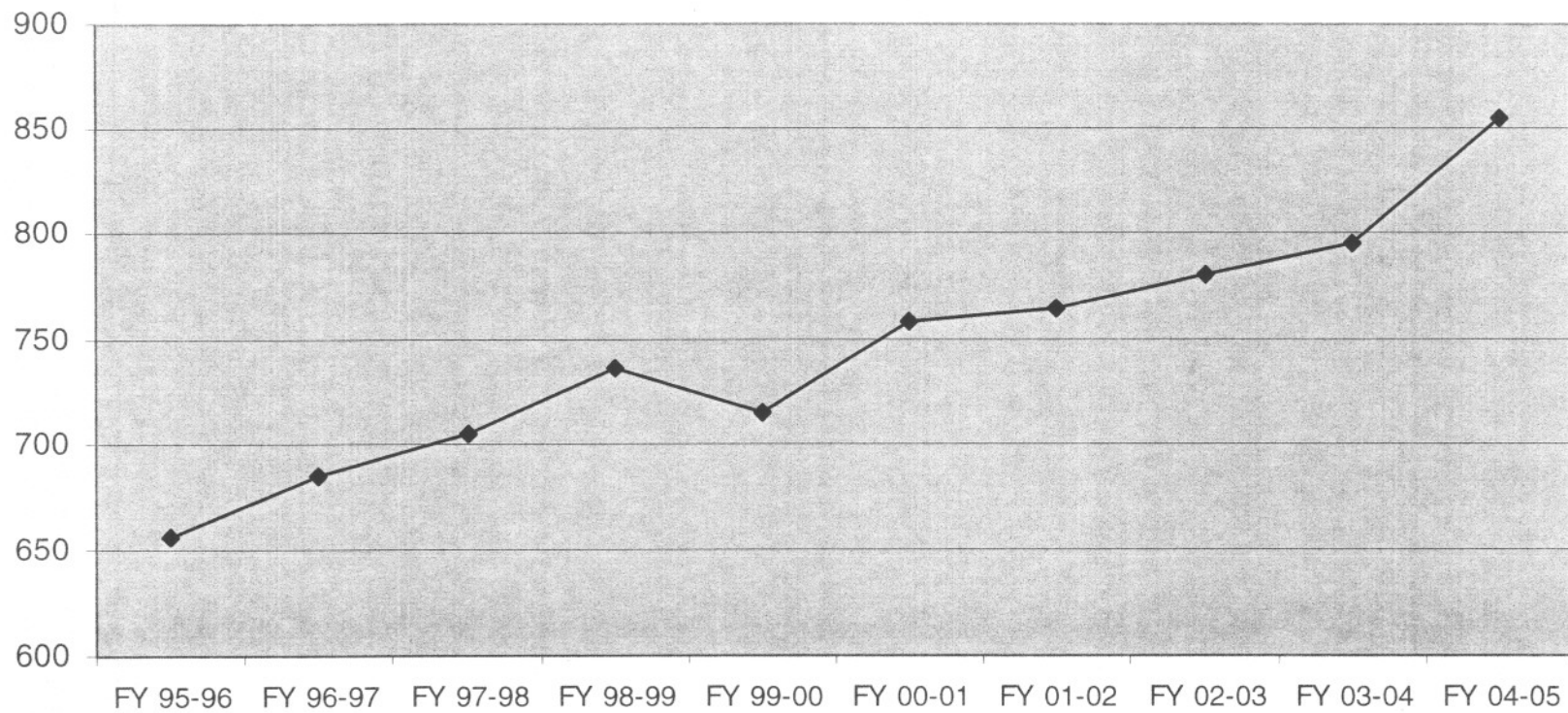


Chart H

***Police General Fund Total Costs
(Dollars) per Capita***

y-axis interval = 300, graph lines @ 50

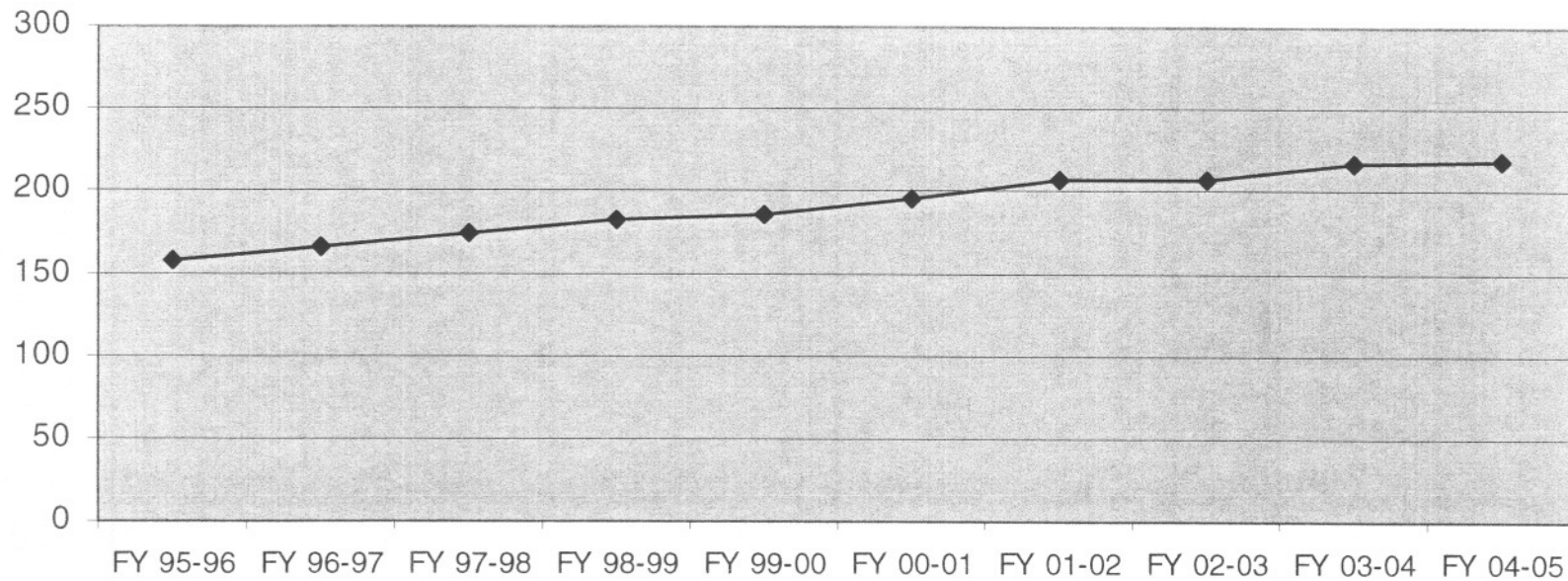


Chart I

***Fire General Fund Total Costs
(Dollars) per Capita***

y-axis interval = 300, graph lines @ 50

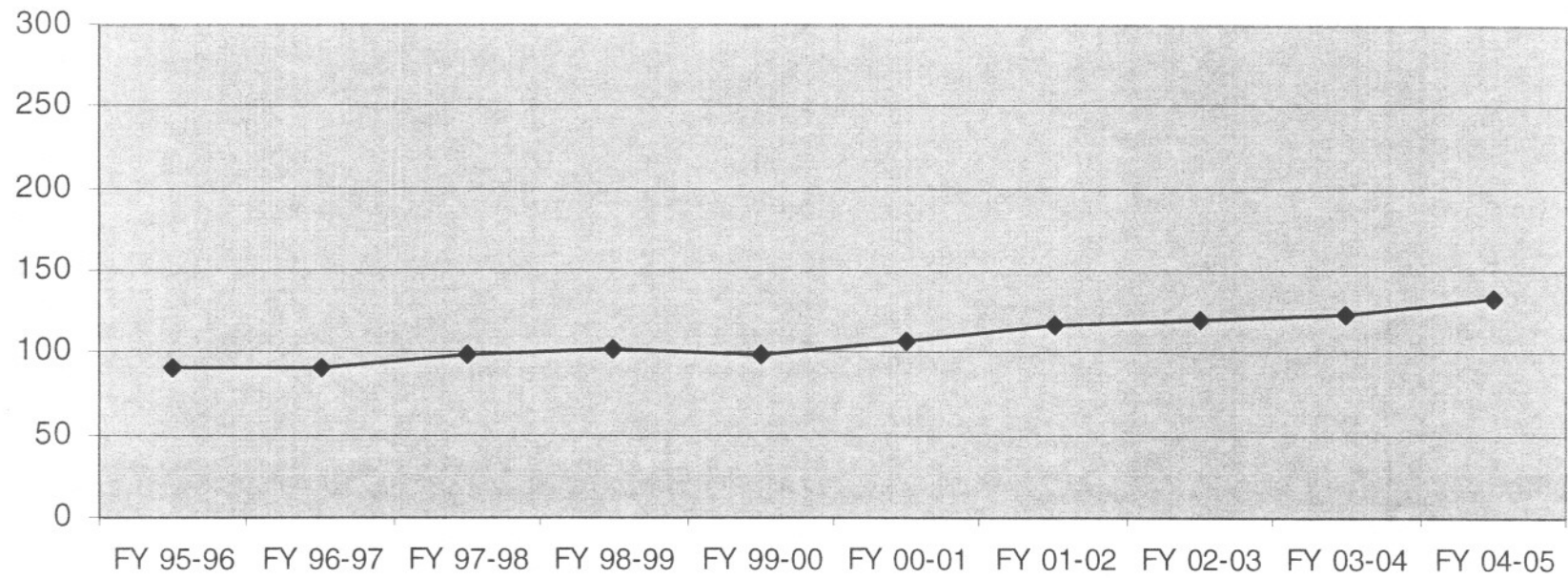


Chart J

***Solid Waste Fund Total Costs
(Dollars) per Capita***

y-axis interval = 300, graph lines @ 50

